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BIWEEKLY REPORT

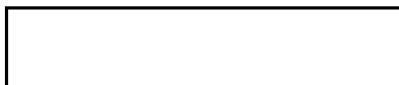
SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR 1/128

2 January 1961

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE



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Summary of Events
16-29 December 1960

On 23 December, "Che" Guevara, President of the National Bank of Cuba, returned from his trip to the Bloc, having concluded economic agreements with Czechoslovakia, Communist China, North Vietnam, Mongolia, North Korea, the USSR, East Germany, and, perhaps, Poland. Most significant are the accords reached in Moscow, which include four general economic and cultural agreements, a protocol that itemizes the composition projected for Soviet-Cuban trade, and an expression of "readiness" on the part of the USSR to "take all measures within its power to insure a supply of goods of vital importance for the Cuban economy which cannot be purchased in other countries." The Cuban Government also announced that (1) the USSR will buy as much as 1.7 million Spanish long tons of Cuban sugar (in addition to the 1 million tons previously agreed upon) if the United States completely eliminates Cuba's sugar quota for 1961, (2) the price for all Bloc purchases of Cuban sugar in 1961 will be \$0.04 per English pound (at least \$0.0075 per pound above the current world price), and (3) the USSR will sell 4.4 million tons of POL to Cuba in 1961.

Bolivia has officially announced that the USSR has informed the Bolivian Government of its willingness to receive in Moscow a commission of technicians and economists to discuss (1) the Soviet offer of a tin smelter, (2) Soviet credits of as much as \$150 million for technical assistance for Bolivia's state-owned mining and petroleum corporations, and (3) possible Soviet long-term acquisition of Bolivian mine production. A commission under Minister of Mines Nuflo Chavez will travel to Moscow in January to discuss the Soviet proposals.

Deliveries of military equipment under a \$70 million Iraqi-Soviet arms agreement concluded in August 1960 have been arriving in Iraq since November.

The USSR and Ghana have signed a protocol implementing a previous agreement in which the USSR granted Ghana a credit of \$40 million. One of the Soviet negotiators present at the talks held in Accra was General Sidorovich, a key official in the Soviet organization responsible for negotiating and implementing arms agreements with underdeveloped countries.

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On 16 and 17 December the Soviet freighter Cherkassy unloaded an estimated 700 tons of arms and ammunition at Casablanca. Although the semiofficial Moroccan newspaper At Tahrir has stated that these arms are to go to the Royal Moroccan Army, other reports indicate that they are destined for the Algerian rebels. [REDACTED]

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Cambodia's Prince Sihanouk announced on 26 December the conclusion of economic aid agreements with the USSR, Czechoslovakia, and Communist China. The total value of the aid to be provided is not yet known, but the agreements cover a wide variety of projects, including the following: (1) a technological institute, dams, and hydroelectric powerplants (to be constructed by the USSR); (2) several light manufacturing plants (to be furnished by Czechoslovakia); and (3) a steel mill (to be constructed by Communist China).

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CONTENTS

	<u>Page</u>
I. Latin America	1
A. New Cuban Agreements with the USSR, East Germany, and Poland	1 4
B. Soviet Aid Offers to Bolivia	4
II. Africa	4
<div style="border: 1px solid black; height: 20px; width: 500px; margin-bottom: 5px;"></div>	4 5
B. More Bloc Arms for the Algerian Rebels	5
C. Protocol Between Ghana and the USSR Implement- ing a Recent Aid Agreement	6 6
III. Middle East (Deliveries Under the Recent Iraqi-Soviet Arms Agreement)	7 7
IV. Asia (Bloc-Cambodian Economic Aid Agreements)	8

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Next 9 Page(s) In Document Exempt

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